



Corporate Headquarters Incentive Act Text

Governor Kempthorne's Corporate Headquarters Incentive Act is designed to create significant, high paying jobs in Idaho by aggressively recruiting large companies to Idaho and by retaining and expanding our economic base.

To qualify, companies must make a capital investment of at least \$50 million in a new office building or plant in Idaho, create at least 500 new jobs with starting annual salaries of at least \$50,000, plus benefits. These requirements must be met within the next five years.

Companies willing to meet the criteria will receive the following incentives during the next five years:

- 1) **Supercharged Investment Tax Credit:** Instead of the existing 3% ITC, a new Investment Tax Credit removes the 50% credit limitation and doubles the rate on new investment to 6%.
- 2) **New Jobs Tax Credit:** In addition to the existing Jobs Tax Credit, an additional credit will reward employers for creating high paying jobs by installing a graduated scale. The scale starts at the existing \$1,000 per job and climbs to \$3,000 per job.
- 3) **Real Property Improvement Tax Credit:** For a project that makes a qualified investment, including at least \$50 million capital investment outlay for a new office building or plant, companies may take an income tax credit of up to \$500,000 in any one year for improvements to real property.
- 4) **Temporary Property Tax Abatement for New Construction:** Where local governments are unable to provide temporary property tax relief for new construction, the State will provide funding for property tax replacement.
- 5) **Temporary Sales Tax Abatement for New Construction Materials:** The Governor proposes providing a temporary sales tax exemption on construction materials used in any qualifying capital investment.

Q & A

What are the benefits of this new tax credit?

Each of the 50 states is continually competing to attract new businesses and retain existing corporate citizens. This proposal ensures that Idaho will remain among the most attractive places in the country to do business. It ensures Idaho companies will remain in Idaho while making our state an appealing choice for companies looking to expand or relocate.

How will this initiative create high paying jobs?

The Corporate Headquarters Incentive Act offers a number of very appealing tax incentives that only apply to companies creating 500 or more new jobs that pay \$50,000 or more, plus benefits.

Will this tax cut impact any existing state services or adversely affect local governments?

No. To the extent that companies qualify for and take advantage of the Corporate Headquarters Incentive tax incentives, the general fund will still be positively impacted. Benefits to businesses, employees, and government accrue due to these tax incentives – the incremental revenue growth from the new jobs is greater than the outlay for tax incentives in all years.

Corporate Headquarters Incentive

To qualify a company must:

- Create at least 500 new jobs in Idaho;
- Jobs must have a starting annual salary of at least \$50,000 per year, plus benefits;
- Invest at least \$50 million in a new office building or plant;
- Accomplish this within a five-year period.